

2006 HIGH SCHOOL COUNSELOR FINANCIAL AID VIDEO CONFERENCE: QUESTIONS AND ANSWERS

FEDERAL AID QUESTIONS

**RICK SHIPMAN, DIRECTOR OF FINANCIAL AID, MICHIGAN STATE UNIVERSITY
MICHIGAN STUDENT FINANCIAL AID ASSOCIATION (MSFAA)**

Free Application for Federal Student Aid (FAFSA)

- 1. Will only the last 4 digits of a student's social security number be displayed on the paper or electronic Student Aid Report (SAR)?**

No, the entire social security number of the student will be displayed on the SAR.

- 2. What special steps does an emancipated student have to take to complete the Free Application for Federal Student Aid (FAFSA)?**

A legally emancipated student should contact the financial aid office at any schools to which he or she is admitted to inquire what documentation is required to pursue consideration as an independent student. Being legally emancipated is not, in and of itself, sufficient to make the student independent for financial aid purposes.

- 3. How do students who live with grandparents or other family members other than (biological or adoptive) parents apply for financial aid?**

The student is always initially assumed to be the dependent of the living parent(s), whether or not the student lives with the parent(s). If the student has been legally adopted by another family member(s), then that person(s) is the parent for aid application purposes. If the student has no relationship with the legal parent(s), he or she should contact the financial aid office at schools to which he or she has been admitted to discuss the individual situation.

- 4. Also, how are foster children accounted for in the household?**

If the foster child is applying for aid, he or she should apply as a ward of the court. Other foster children living in the household of a student who is applying for aid should not be included in the household size because the applicant will be treated as an independent student.

- 5. Will counselors automatically receive paper FAFSA's or do they need to order them?**

Paper FAFSAs will not be sent to high schools without being ordered. They may be ordered at 1-877-4EDSPUBS or <http://www.fsapubs.org/>.

- 6. Are there any new changes to question #31 on the FAFSA? (Question #31 refers to convictions for the sale or possession of illegal drugs and how that affects eligibility for receiving financial aid.)**

Yes, there will be a change in the question for 2007-2008. The question will now ask whether a student has been convicted for possession or sale of drugs for an offense "that occurred while you were receiving federal student aid (grants, loans, and/or work study)."

- 7. Can the applicant update question #31? They initially answered no but were convicted mid-year. Do they change the answer to yes and then do the drug worksheet and potentially lose eligibility for aid mid-year?**

The student is not expected to update the answer to question #31 mid-year.

- 8. What changes have been made to the FAFSA in the last five years?**

As addressed above, wording on the drug question has changed. Independent status has been extended to include students who are serving active duty in the U.S. Armed Forces for purposes other than training at the time they apply for aid. Parent assets now include Coverdell savings accounts, 529 college savings plans, and the refund value of 529 state prepaid tuition plans. For more details regarding these changes go to www.fafsa.ed.gov/hera.htm

- 9. Is there a plan to increase the Pell Grant amount?**

While an increase in Pell Grant funding has been discussed, it remains to be seen what a Democrat-majority Congress will be able to accomplish in this area.

- 10. A 2006-2007 exchange student from Bolivia was raised and schooled in Bolivia, which is where both parents live. The student has U.S. citizenship through her father but is supported by her single mother in Bolivia. She has a U.S. Passport.**

- A. As a U.S. citizen, can she apply for financial aid?**

Yes, she can apply for financial aid. She must complete a FAFSA.

- B. Are there additional forms or steps needed for this unusual situation?**

Any income and asset information will need to be reported in U.S. dollars. If the student is selected for verification, documentation of taxes as they are reported and paid in Bolivia will need to be provided.

- C. Can she claim herself as an independent student?**

Since the student lives with her mother, she would not be considered an independent student.

- D. How is the U.S./Bolivia currency exchange rate determined for household income?**

It will be the responsibility of the student and her mother to provide this information. It is recommended they consult a currency exchange website such as <http://www.oanda.com/converter/classic>.

- 11. Please talk about a student filing a FAFSA if the parent is incarcerated.**

How a student files a FAFSA when a parent is incarcerated can vary depending on the relationship and assets available. It is recommended a student in this situation consult with the financial aid offices at schools to which he or she is admitted.

- 12. Parents wonder if their income is too high to make it worthwhile to complete a FAFSA. Is there an income guide to help parents determine if completing a FAFSA is worthwhile?**

Because of the amount of information taken into account when calculating an expected family contribution, there is no simple income guide that can be used to determine whether completing a FAFSA is worthwhile. Age of parents, number in the family, and number in college are only a few of the factors that can result in wide variance in EFC calculation where basic salary information is similar.

13. How can Michigan low-income students afford to look at out-of-state or private schools because of their cost?

While Federal aid will not meet the cost of out-of-state or private schools, students should check with those colleges in which they are interested about what institution-funded scholarships or grants they may be eligible to receive.

14. How is need determined?

First, the student needs to complete a FAFSA, which will include data on student income and assets and on parent income and assets. From this information, an Expected Family Contribution (EFC) will be calculated. The EFC will be communicated to college and university financial aid offices based on student request. Each school will use a cost of attendance budget to determine need at that institution. A simple need formula is: $\text{Budget} - \text{EFC} = \text{Need}$

15. What do students do when parents refuse to provide their financial information for the FAFSA?

The Federal Government views paying for college as a parent responsibility. In many cases, the student will need to stress the importance of this information to the parent. However, in the case of a serious break in relationship, the student will need to consult with a financial aid officer at schools to which he or she has been admitted regarding individual circumstances to see if the student qualifies to file as an independent student according to that school's professional judgment policy.

16. If the parents are divorced, whose income is used when you complete the FAFSA?

The student uses the income for the parent with whom he or she resided the most days during the calendar year upon which the FAFSA is based. If the student spent an equal time with both parents, then the parent who contributed the majority of financial support should provide FAFSA data.

17. What is the best way for a student to prove that she supports her child?

While this response may vary from institution to institution, appropriate information to provide to a financial aid office would include a copy of a birth certificate and listing of all expenses incurred for a child, indicating who pays which expenses, or a copy of the tax return showing that the student has claimed the child as a dependent. It is important for the student to demonstrate that she has sufficient income to pay for reasonable expenses.

18. Is there a different form or additional form for adopted/foster students over 18 to fill out? What are the steps?

There is no different or additional form. Adopted children are no different than biological children when completing the FAFSA, and would follow the same rules in determining whether to include parent data, etc. A foster child would probably qualify as a Ward of the Court and complete the FAFSA accordingly. The college(s) or universities may request documentation, such as court documents, that will prove the student's foster background.

19. Can a Personal Identification Number (PIN) be requested before January 1?

Yes, the student and parent may request a PIN early to have that step done before January 1.

20. What if a student is homeless but under age 24? If the student is not a ward of the court or orphaned, can they be independent?

A homeless student will need to meet with a financial aid professional at those schools to which he or she has been admitted to discuss the relationship with his or her parents. It is possible for a student and one or more parents to be homeless together, and that student would be considered dependent. It is very likely in a circumstance such as this that the family contribution would be calculated as zero anyway so the student would not be disadvantaged for financial aid purposes.

21. The family of one of my students is in bankruptcy. They are on a strict budget, with maybe \$60.00 every two weeks that is not accounted for. The only asset they have is their house, which has a 30-year mortgage (is part of the bankruptcy). Their calculated EFC last year was \$20,000, and their student was not eligible for financial aid. Are there any financial aid resources for them? The parents cannot qualify for any loans.

Bankruptcy is not taken into account on the FAFSA. However, a student and parent in a bankruptcy situation should meet with a financial aid professional at the schools to which the student has been admitted to discuss the specific situation. The school will be interested in the available income and assets.

22. How does a student complete the FAFSA when a divorced custodial parent remarries? How is the step-parent involved and does it matter which parent claims the student as a tax exemption?

The FAFSA must include information on the step-parent in the household of the custodial parent. The step-parent's income and assets are viewed as supporting the student. It does not matter which parent claims the student as a tax exemption.

23. Proposal 2 (pertaining to affirmative action) passed in the November election cycle. How will this affect financial aid?

Proposal 2 is not expected to affect Federal financial aid. However, colleges and universities are in the process of determining how Proposal 2 will affect institution-based aid.

24. How is an override for an independent student or special circumstance determined?

Each college or university determines whether a student is eligible for an independent override. The student needs to contact the financial aid office at those schools to which he or she has been admitted to discuss individual circumstances and documentation that might be required.

25. Does a pregnant woman under 24 years of age qualify as an independent student?

This is a determination that would be made by the individual college or university.

26. Do recently separated or divorced women/men students have to use the other spouses' income?

Students who are separated or divorced prior to submitting the FAFSA do not need to include spousal income. Students who are separated or divorced after the FAFSA has been submitted should contact the financial aid office at the school regarding their special circumstances. Only data for the custodial parent is reported if the parents are recently divorced or separated.

- 27. If an undergraduate student has been paying for college on his own, but mid-year finds that he need funds for the following semester, can he complete the FAFSA and be eligible to receive money to continue his education or does he have to wait until the following year to complete the FAFSA?**

A student may complete the FAFSA any time during the academic year. The deadline to submit a FAFSA for 2007-2008 is June 30, 2008.

Academic Competitiveness Grant (ACG) and National Science and Mathematics Access to Retain Talent (SMART) Grant

- 1. Can a student use dual enrollment as part of the rigorous curriculum for the Academic Competitiveness Grant (ACG)?**

Since colleges and universities review high school transcripts for the rigorous curriculum requirement, the dual enrollment course would need to be considered as a high school course and be included on the high school transcript to be used in the review. If it is included, then, yes, it will be taken into consideration.

- 2. For the new ACG, how will they determine whether the student has met the requirements for the Michigan Merit Standard?**

Each college or university determines whether the student has met an acceptable “rigorous high school curriculum.” The Michigan Merit Standard is one acceptable way for a student to meet that rigor, but it is not the only way. Each school designates who is responsible for transcript review for purposes of the ACG at that school. For example, financial aid offices, admissions offices, and registrar offices have taken roles in transcript review at various institutions. The responsible staff person(people) at that school must review the student to see if they qualify under any of the designated methods, including Michigan Merit Standard, course curriculum, Advanced Placement (AP) or International Baccalaureate (IB) courses, etc.

- 3. On page 14 (of the videoconference PowerPoint handout), there is a table labeled Types of Federal Aid – ACG, Michigan Merit Standard Curriculum. The words “work history” appear as a course requirement for Social Studies. Is this supposed to be “world history?”**

Yes, thank you for bringing this typo to our attention.

- 4. For the SMART Grant, is there a question on the FAFSA that asks about the student’s major, or does the school designate recipients through students who have declared majors in those areas?**

Schools are responsible for determining which of their majors match those listed by the Federal Government as eligible and what students in those majors qualify for the SMART Grant.

- 5. Does a student have to receive a certain amount of Pell funds in order to receive the ACG or SMART Grant?**

A student who is eligible for any amount of Pell Grant is eligible for the ACG or SMART Grant if he or she meets the other criteria required for that award.

- 6. Is Spanish an eligible language for students to receive the SMART Grant?**

No, Spanish is not one of the language majors which will deem a student eligible for the SMART Grant. Spanish would be a language that students could take in high school to qualify for the rigorous program of study.

- 7. Why is the SMART Grant only limited to foreign languages such as Middle Eastern or Asian when most of our high schools do not offer these languages? Why not Spanish, French, and German?**

The SMART Grant does not take into consideration what languages students study in high school. The grant is available to students who pursue certain language majors as a college junior or senior because those languages are considered important to national security.

- 8. What happens with the SMART Grant if the student changes majors?**

A student who changes majors during the semester for which a SMART Grant has already paid out may lose the grant, depending on the effective date of the major change (some schools do not allow a major change in the middle of the term and would make it effective on the beginning date of the next term). It would also depend upon the institution's policy on "census date" as to whether the student was in the correct major on the count date as to whether the grant may be kept or would need to be billed back. Any SMART Grant not yet disbursed for the subsequent semester will be cancelled.

- 9. How does a senior or any qualifying student apply for the ACG, or is it determined by FAFSA application and the student will be informed based on the FAFSA?**

Students who are eligible for the Pell Grant are contacted and asked to self-identify if they believe they have met the requirement of a rigorous high school curriculum. This information is shared with colleges and universities. From there, the institutions are responsible for reviewing high school transcripts for the purpose of verifying successful completion of the rigorous high school curriculum requirement. Colleges are encouraged to review the transcript of Pell eligible students they believe might qualify to ensure that all eligible students receive awards.

- 10. Are the ACG and SMART Grants based on financial need?**

Yes, a student must be eligible for a Pell Grant to receive either of these awards. Pell Grants go only to students with family contributions below \$3,851.

- 11. May a student receive both the ACG and the SMART Grant during a four-year undergraduate period?**

Yes, a student who receives the ACG based on high school rigorous curriculum may pursue a major that makes him or her eligible for the SMART Grant.

GEAR UP/COLLEGE DAY PROGRAM

SHEREE PRICE, MICHIGAN DEPARTMENT OF LABOR AND ECONOMIC GROWTH

- 1. What districts are involved in GEAR UP?**

Approximately 38 school districts and 77 school buildings are involved in the grant. For a listing of the approved schools and districts, please contact the GEAR UP/College Day office at 517-373-9700 or Sheree Price at prices1@michigan.gov.

- 2. What are the three GEAR UP sites in the Upper Peninsula?**

The three institutions that are partners in the grant are: Michigan Technological University, Northern Michigan University and Lake Superior State University.

SAVING FOR COLLEGE IN MICHIGAN
DIANE BREWER, MICHIGAN EDUCATIONAL SAVINGS PROGRAM (MESP)

1. Can MET/MESP accounts be set up by grandparents?

Yes, they can set up and purchase MET/MESP.

2. Can grandparents open MET/MESP if the child lives with the parents?

Yes.

3. Would these account balances be considered as parental assets when figuring aid and family contribution on the FAFSA?

No, grandparent assets are not figured on calculations.

4. What happens to the money placed into MET or MESP if a student received a full scholarship (student doesn't pay anything) to a college/university.

MET contracts can be terminated for a refund or transferred to an immediate family member. MESP funds can be withdrawn equal to the amount of the scholarship.

5. If a parent has a 529 account through UPromise (which are handled through another state), how can the 529 be transferred to an MESP 529 and does it make a difference?

Yes, MESP and MET accept rollovers from other 529 programs. There is a form located on both the MESP and MET Web sites that must be completed for the rollover process.

6. How/where is detailed information available on MET and MESP?

Information on MET can be found by accessing www.setwithmet.com or by calling 800-MET-4-KID. Information on MESP can be found by accessing www.misaves.com or by calling 800-416-9756

7. Under "the Matching Grant application", how does a parent set up an MESP account? Who do they contact?

You can get this information by accessing www.misaves.com or by calling 800-614-9756.

8. If a parent starts a MET for a newborn, at what age does it have to be used by?

It must be used within 15 years from the newborns expected high school graduation date.

9. Can MET/MESP be used for out of state schools?

Yes, both can be used at out of state eligible institutions.

10. What impact does MET have on the family EFC as it is considered an asset?

MET is considered a parental asset and will reduce eligibility by 5.9% of contract value.

11. What plan would you suggest if someone wants to save for K-12 private school tuition?

We are not familiar with savings programs pertaining to K-12 private school tuition. Neither MET nor MESP funds can be used for K-12 education.

12. When figuring tuition costs for MET/MESP, what is the average cost of “Michigan tuition?” Is it based on the average of public or private postsecondary schools?

Both MET and MESP use the average tuition of Michigan public universities. For 2006-2007 the average tuition is \$7,176.00. The funds can be used at private or independent colleges or universities, but the award would be recalculated or prorated according to the tuition at that time (of the private/independent institution).

13. Should E Bonds purchased with the student as primary beneficiary, be cashed in and the name changed to the parents name? We understand if money is spent on education, that the interest is not taxable if the bond is cashed in under the parent’s name.

Unfortunately, we do not know the answer to this question regarding E Bonds. We suggest that you consult a financial planner or the place of purchase.

14. If a parent has invested in the Independent 529 program but then the student decides to attend a public university, are there penalties for transferring? What are the Pros and Cons of Independent 529 vs State 529?

We are not familiar with the full details of the Independent 529 program. Please refer to the Independent 529 website at www.independent529plan.org regarding use and withdrawal of funds. MET and MESP offer purchasers/account owners a State of Michigan income tax deduction, which other programs cannot. Earnings are exempt from federal and state income tax when used for qualified higher education expenses.

**STUDENT FINANCIAL SERVICES BUREAU
TOM FREELAND, OFFICE OF SCHOLARSHIPS AND GRANTS**

1. If high school students won’t give their SSN, what is done for the Merit exam?

The MEAP and/or Michigan Merit Exam (MME) students are identified by a unique identifier code provided by the Department of Education Single Record Student Database (SRSD).

2. Can I take the Michigan Merit Award out of state?

Beginning with the class of 2007, no amount of the Michigan Merit Award (MMA) funds can be used at out of state colleges or universities. (However, the funds could be used in summer, for example, if the student uses it in two consecutive years and takes courses toward a degree.) Prior to the class of 2007, \$1,000 of the Michigan Merit Award funds could be used out of state.

3. How early can the class of 2007 certify their Michigan Merit Award?

Students of the class of 2007 can certify for their Michigan Merit Award as soon as the student receives an award letter from the state. The certification deadline is November 15, 2007.

4. What will the dollar amount be for the Merit Award for the class of 2008?

Under current law, \$2,500 for high school and up to \$500 for middle school for a maximum potential award of \$3,000.

5. Can foreign exchange students apply for the Michigan Merit Award?

The current law allows this IF it (the law) requires that the student graduates from a Michigan high school.

6. Do students have to take all five parts of MEAP to receive the Michigan Merit Award? The power point presentation (on page 72) states the student “must take all 4 high school MEAP tests”.

This is not required for the Merit Award for the class of 2007 and prior. However, it will be required for class of 2008 and after as part of MME.

7. Must a student take the MEAP Social Studies test to qualify for the Michigan Merit Award? (Even though the Social Studies score is not used to determine eligibility.)

*Class of 2007 – based on MEAP no Social Studies.
Class of 2008 - Social Studies is part of MME.*

8. Are there social studies courses that are satisfactory other than those listed?

The Michigan Merit Standard Curriculum corresponds to one of five categories of “rigorous high school curricula. While the Michigan Merit Standard lists specific social studies courses, the other measures used are more flexible regarding social studies courses that can be considered.

9. What are the minimum scores on the MME required for the Merit Award?

This is not set yet. We are waiting for the State Board to set the minimum scores when they meet in January/February of 2007.

10. How will a student qualify for the new Merit exam?

Qualification (yet to be determined) scores in each subject area:

- 1) Math*
- 2) Reading*
- 3) Writing*
- 4) Science*
- 5) Social Studies – NEW – 1st time for Merit*

11. Why do some students receive \$2,800 instead of \$2,500 for the Merit Award?

Because of the middle school award factored in. (\$250, \$375 or \$500 – depending on how many portions of the test they achieve qualifying scores.)

12. What MEAP scores are required in middle school to qualify for the additional \$500?

The student must have achieved a level 1 or 2 in each of the tested areas.

13. Can you fax certifications in for the Merit Award? If yes, what is the fax number?

Yes. The fax number is 517-241-5835.

14. What about the MME replacing MEAP and the award amount changing from \$2,500 to \$4,000?

The MME begins in spring of 2007 to juniors in the class of 2008. The amount change is only a proposal of the Governor at this time.

15. Do current juniors who took the MEAP last year and qualified for the merit Award, have to take the MME this year in order to qualify again?

Current juniors would have taken the award as sophomores. If the student did qualify for a merit Award as a sophomore, then they remain eligible. Beginning with the new MME, sophomores are not allowed (by MDE rules) to take the MME. Only juniors in 2007 can take MME for the 1st time.

16. Will we receive both MME and Re-Take MEAP test at the same time?

The Department of Education has set the schedule for all testing. They have scheduled a window that includes both testing formats. Current seniors (class of 2007) are encouraged to take only the MEAP. All juniors (class of 2008) are REQUIRED to take the MME.

17. In 2007 for students who qualify for Merit Award and then goes to an out of state school, can the student use the merit Award to pay for summer sessions in Michigan?

Beginning with the class of 2007, there is no payment for out of state. Students do have 4 years to use their Merit Award so they can always go out of state the first year and then use their award over the next two years. Beginning with the class of 2008, students must use their award over two consecutive years. A student could come back two consecutive summers. Students must be enrolled in "for credit" courses. Community education courses are NOT eligible.

Michigan Competitive Scholarship

1. Must students fill out a FAFSA to be eligible in order to be awarded Michigan Competitive Scholarship?

Yes. They need to demonstrate financial need for a monetary award.

2. If a student qualified for the Michigan Competitive Scholarship, took a "break" and didn't attend college immediately, can they still receive the award and/or other Michigan grants and awards?

Yes. The ACT scores necessary for a student to be eligible to be awarded the Michigan Competitive Scholarship are kept for 10 years. The student must enroll before the ten years expire.

Michigan Nursing Scholarship

1. Do students need to complete the FAFSA to qualify for the Nursing Scholarship?

Although the scholarship is not need based, some colleges give priority to students with need. A student may want to file FAFSA just in case.

2. How long do you have to work in Michigan in order to qualify for the Michigan Nursing Scholarship?

A student must first meet the eligibility criteria the college or university has determined and then, once a student is awarded a Michigan Nursing Scholarship, the student must work 1 full year for every \$4,000 received.

3. Where can we obtain more information on the Michigan Nursing Scholarship?

See the fact sheet on the website www.michigan.gov/studentaid or go to the publication titled - Paying for College in Michigan, pages 21 – 22 (hard copy form or to the web address listed and click on the link to the above publication.)

Tuition Incentive Program (TIP)

1. Regarding the TIP, how does a student qualify?

A student must have been eligible for Medicaid for 24 months within a 36 consecutive month period. Students are notified by the Office of Scholarship and Grants (OSG) and must submit the application prior to high school graduation.

2. Are students notified only once that they are TIP eligible?

No. OSG notifies eligible students every six months until they complete their application.

3. Can high school counselors request a TIP roster to help identify eligible students?

Yes, however, our source for which school the student is attending is provided by the student. Sometimes this information is incorrect or out of date. For information regarding TIP contact OSG at 1.888.447.2687.

4. Many TIP eligible students are not aware of receiving an eligibility letter. Is the old form/card still available to send or should high school counselors call OSG on students behalf?

Cards are not available. We do encourage the counselor or student to contact OSG to check their eligibility. (1.888.447.2687)

**MICHIGAN GUARANTY AGENCY
STEPHANIE BOGARD, OUTREACH SERVICES**

1. Is the “Paying for College in Michigan” publication free?

Yes, this is a free publication. The information on the inside front cover is required by the Michigan Department of Management and Budget in order for consumers to know how much it cost to produce the publication.

2. Do we have to order copies of “Paying for College in Michigan”?

Yes, you may order by calling 1-800-642-8626, ext. 37054 or by email at sfs@michigan.gov or by fax at 517-241-0155. If possible and if large quantities are needed, please order in quantities of 160 (1 box) to expedite the ordering process from the warehouse. Anything under 100 copies can be sent directly from our office. Remember to include the receiver’s name and mailing address.

Contact Information

OSG: Office of Scholarships and Grants

PO Box 30462

Lansing, MI 48909-7962

1.888.447.2687

osg@michigan.gov

MGA: Michigan Guaranty Agency, Outreach Services

PO Box 30047

Lansing, MI 48909-7547

1.800.642.5626 ext. 37054

mga@michigan.gov or sfs@michigan.gov (all general questions)

PFL: Partnership for Learning (for EduGuides)

321 North Pine Street

Lansing, MI 48933

517.374.4083

info@partnershipforlearning.org or www.PartnershipForLearning.org

College Goal Sunday: www.MICollegeGoal.org or 1.800.832.2464

MSFAA: Michigan Student Financial Aid Association

www.msfaa.org